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The 111th Congress, which finished its work just before the end of the year, enacted a series of bills that positively impact community colleges and their students. Chief among this legislation was a dramatic increase in the Pell Grant maximum, a greatly improved higher education tax credit (the American Opportunity Tax Credit), significant education funding to states in the form of “stabilization funds,” and an array of job training grant opportunities, including the $2 billion Community College and Career Training Grant Program. Community college educators know that these expenditures represent solid investments in America’s future.

What follows is a discussion of 10 key issues that Congress, along with the executive branch and higher education policy experts, have focused on over the last two years, with an eye toward what may be expected in these areas in the months to come. Obviously, the November elections dramatically changed the political calculus in Washington, but to what end is not at all clear. At the direction of its board of directors, the American Association of Community Colleges (AACC) has encouraged its members to educate new legislators on the role that the federal government plays in helping community colleges fulfill their missions. This role starts with ensuring that everyone who wants to attend a community college can afford to do so.

AACC is active on many policy issues, and this summary highlights only some of them. Hopefully, it provides a meaningful overview of critical issues facing the nation’s community colleges in 2011 and beyond.

**The Pell Grant Program: Funding and Future Prospects**

Without doubt, the Pell Grant program represents the federal government’s most important investment in community college education, assisting close to 3 million students each year. Community colleges serve the highest percentage of low-income students in traditional higher education, and their campuses would look dramatically different without Pell Grant support. Overall, more than 8.7 million students are projected to receive grants next academic year, a phenomenal 64% increase from 5.4 million just four years before.

The Pell Grant program has traditionally enjoyed bipartisan, bi-cameral support and has been strongly backed by the executive branch through a series of administrations. The desirability of increasing the maximum grant has been a given. For a program of its size, it has been remarkably free of criticism about its purpose or effectiveness. Pell Grants are awarded directly to students rather than to institutions, and this has helped the program stay out of the line of fire of some of the negative critiques of higher education writ large.

In the last three years, the Pell Grant program has expanded dramatically, all to the good of community college students. The maximum grant grew from $4,310 in award year 2006–2007 to $5,550 in award
year 2010–2011. This $1,240 increase alone represented 46% of the average community college tuition in fall 2010. Increases in the Pell Grant maximum equate to tuition reductions for the neediest students. Unfortunately, close to a third of all eligible community college students fail to apply for the grants, a situation that AACC is committed to changing.

Pell Grants function as an entitlement program such as Social Security, but unlike true entitlement programs, Pell Grant funding requirements are not automatically met by the U.S. Treasury, and appropriators have to identify funding each year regardless of student demand. Pell Grant shortfalls occur when the number of actual recipients exceeds projected levels. And for the last few years, the number of Pell Grants awarded surged beyond all expectations. The spike in the number of awardees is due to increases in the maximum grant, which also make more students eligible for grants, to the sharp rise of for-profit student awards (increasing to more than 1.5 million from fewer than 500,000 for the decade ending in 2008–2009), and to the economic downturn, which has stimulated larger college enrollments and created greater financial need for those who attend. The FY 2010 budget reconciliation bill provided $13.5 billion in shortfall funding, but even that left appropriators needing to find another $5.7 billion in FY 2011. This shortfall was eventually retired, but only after protracted advocacy by all of higher education and despite resistance from some key members of Congress.

The annual cost of the Pell Grant program now approaches $35 billion, a colossal sum even in red ink–drenched Washington. This cost represents about 45% of the U.S. Department of Education’s overall budget. Given this perilous funding situation, all signs are that the recent boom years for the Pell Grant program are drawing to a sudden, problematic close. Many members of the 112th Congress will be fixated on restraining expenditures, and the Pell Grant program, with its recent maximum grant increases and ongoing financing difficulties, could be targeted for retrenchment. AACC intends to vigorously oppose any such efforts. Maintaining a robust Pell Grant program, with the basic educational opportunity that it embodies, will remain front and center for AACC in the next Congress and for the foreseeable future.

**American Graduation Initiative: Aftermath and Implications**

The American Graduation Initiative (AGI), which raised such high hopes on community college campuses, will probably not be fully revived in the 112th Congress. However, Congress’s failure to enact the initiative should not obscure its historic nature and longer–term policy implications.

As envisioned by President Obama in July 2009, AGI assigned community colleges a central role in helping the United States regain its lead in international college attainment by 2020. AGI’s goal of improving the overall performance of the nation’s higher education system represented a significant departure from the traditional federal role in undergraduate education. Previously, federal policymakers assumed that their primary function was to provide student financial aid—a voucher—and that individual student choices about which college best met their needs would ultimately serve the national interest. Although a number of programs address specific aspects of higher education, federal policymakers had never considered sweeping proposals to address the overall “outputs” of the nation’s colleges and universities. The AGI changed all that.

The centerpiece of AGI was its unprecedented, roughly $9 billion, commitment to community colleges, within the context of a $12 billion, 10-year proposal. The targeted support for community colleges stirred responses from other sectors of higher education ranging from quiet grumblings to publicly communicated alarm.
AACC maintained a few overriding priorities in its lobbying on AGI. Community college advocates may recall that these goals were largely embodied in the legislation that came within a few whiskers of being enacted. As for the legislative process surrounding AGI, it was extremely unfortunate that the bill containing AGI was ultimately merged with the bitterly divisive health-care legislation.

First and foremost, AACC worked to ensure that AGI’s institutional “reform” or “success” grants, which represented the bulk of its community college expenditures, would emanate from institutions—that a “bottom-up” dynamic should attach, similar to the underappreciated Title III-A, Strengthening Institutions program that is so important to community colleges. The overall potential uses of funds were to be quite broad, as long as they were consistent with the program’s overall purposes of improving community college effectiveness and helping more students graduate. Thus, neither the U.S. Department of Education nor any other entity would mandate how community colleges should go about achieving this end.

A second AACC priority was to preclude a mandatory state role in the grants, and in particular a grant round dedicated exclusively to states. While some CEOs were anxious to work with public officials to develop statewide approaches, this was impractical in other places, given the highly limited reach of some state regulatory and governing structures.

Third, AACC needed to ensure that any funds provided by the federal government were not in any way supplanting state or local funding, a constant worry given the parlous condition of government finances.

Finally, AACC wanted to ensure that any AGI awards supported long-term institutional transformation. Funding would be squandered if it did not stimulate new and lasting ways of doing business. It is critical to remember that, despite AGI’s commitment to community colleges, the proposed funding was less than 3% of the annual national expenditures of community colleges; these resources were never going to be of a scale to fundamentally alter community college finances, or the inequitably small share of public resources they command. Rather, the funding could only serve to spark deliberate, long-term change.

Where does the demise of AGI leave community colleges? Without doubt, in a much better place than before it was proposed. First, AGI did ultimately result in community colleges receiving a tremendous infusion of federal support—$2 billion over four years via the Community College and Career Training Program in the Trade Adjustment Assistance Act. Just as importantly, AGI catalyzed community college interest in the completion agenda—the graduation imperative is front and center on campuses in a much more focused and explicit way. AACC has played its part by adopting a “Call to Action” that commits leading community college organizations to improving completion rates. In addition, AGI has caused advocates to reframe the role that existing programs play in enhancing completion, such as institutional assistance through TRIO, Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), and the Higher Education Act (HEA), even if these programs do not focus specifically on community colleges. Lastly, community colleges could not have bought the positive publicity created through AGI. In sum, although AGI did not reach statutory pay dirt, its positive implications will be felt for years to come.
Workforce Policy

Consistent with their expansive role in educating the nation’s workforce and the growing recognition of that activity, community colleges are almost always a focal point of federal policy discussions about the nation’s career and technical training programs. But this does not always translate into additional federal resources for community colleges or a role in workforce programs commensurate with their scope and impact.

The Workforce Investment Act (WIA) remains the centerpiece of the federal government’s workforce delivery structure. The law has been expired since FY 2004 even though there is broad bipartisan agreement that reauthorization is highly desirable. Community colleges have much to gain by a WIA reauthorization. This includes reduced reporting requirements, better integration of adult education programs into workforce training, an emphasis on longer-term training programs, and statutory authorization of the Career Pathways Innovation Fund.

AACC’s most important WIA reauthorization goal is for community colleges to be given a true “partnership” role in the system, rather than being assigned a more utilitarian role. Community college engagement in the WIA system remains spotty, and a more central role would help the system become more efficient and focused. The fact that community colleges are not a truly national system has hampered their ability to assume a primary place within the WIA framework. (Perhaps less, rather than more, needs to change in this regard, since a fall, 2009 AACC survey revealed that most member presidents currently felt they had positive relationships within the WIA framework.) In the meantime, community college advocates will hope that the 112th Congress will at last succeed in updating the WIA system.

The WIA system remains plagued by insufficient funding. In FY2002, the budget for Training and Employment Service programs was $4.34 billion. In FY 2010, funding for equivalent programs was $3.95 billion. Adjusted for inflation, the reduction is 23%. At its current level of resources, WIA cannot begin to meet the needs of the U.S. economy. The American Recovery and Reinvestment Act (ARRA) provided much-needed funding for some WIA and related training programs, but this was temporary. It would seem that a need as compelling as keeping America’s workforce world class would command greater congressional support, but this has not proven to be the case; perhaps part of the difficulty lies in the fact that the community affected is relatively small and splintered. Another factor is that the federal government has never taken a primary role in funding workforce training in the United States, because most training is funded by private sources. In any event, AACC will continue to seek resources that will enable the WIA programs to realize their potential.

Community college leaders are grateful for the broad array of workforce training–related programs that are available to them across federal agencies. Federal assistance has helped community colleges train first responders, health-care professionals, workers in new energy technologies, and those working in many other areas. Broader-based funding, such as that provided under the Carl D. Perkins Vocational and Technical Education Act, is a lifeline for many community college training programs. The U.S. Department of Labor has continued to develop innovative approaches to workforce training and economic development.

Unfortunately, these varied federal programs have caused substantial administrative inefficiencies. Federal policymakers, starting with Congress, have yet to develop a systematic outcomes-reporting
framework for career training programs. An institution is a single entity with one core set of administrative systems, but federal policy effectively assumes otherwise, and expects institutions to comply with varied, but overlapping, accountability schemes. While there is consensus that this needs to change, effecting that change has eluded policymakers.

Lastly, the growth of sophisticated state-based longitudinal data systems holds great potential for ensuring that community college workforce training programs reach maximum efficiency. As of May 2010, the U.S. Department of Education had invested $515 million in P-20/career data systems and the U.S. Department of Labor is also contributing funds through its Data Quality Initiative. (Development of these systems was required of states under ARRA.) These systems are layered on top of regional economic data that community colleges routinely rely on in making program decisions. But the federal government’s support of these longitudinal state tracking systems, which AACC has strongly supported, should be doing much more to help community colleges be more accountable, particularly in regard to job training. To achieve that, however, all states will need to run matches between educational and wage records.

**For-Profit Higher Education**

The extraordinary growth of the for-profit higher education industry has provoked a policy debate of raised voices. For-profit higher education has already created significant complications for community colleges that, in all likelihood, will increase. The industry’s multibillion dollar profits will continue to give it a leg up in advocacy, particularly with the renewed strength of the Republican Party, which historically has been sympathetic to the industry’s positions. Nevertheless, some prominent members of Congress as well as the Obama administration are dedicated to closely scrutinizing the for-profit industry.

The fact that community colleges have become enmeshed in efforts to more effectively monitor for-profit higher education is ironic, given that the institutions are fundamentally different. Community colleges are public-serving, publicly regulated institutions that use low tuition and minimal borrowing to help students attain a college education. For-profit colleges are created to maximize earnings, with high tuitions and heavy student debt serving as the basic formula for generating profit. Community colleges are local entities that focus on local needs, particularly those of business, while for-profit colleges are increasingly dominated by publicly traded corporations. These corporations are driven by market imperatives to systematically increase enrollments.

In one sense, most for-profit-colleges are simply thinly regulated quasi-federal entities. The bulk of the institutions receive an overwhelming majority of their revenues from federal student aid (pushing 90% in most cases, in contrast to less than 15% at community colleges), but they are subject to marginal federal government oversight on the nature and quality of their programs. The Obama administration’s controversial “gainful employment” regulations are a notable effort to assert greater oversight of the for-profit industry and protect students. But the regulations could also affect community colleges—an example of the uneasy entanglements created by the for-profit industry.

Community colleges have little reason to join in policy debates about and with for-profit higher education. However, simply ignoring the industry is no longer viable, for many reasons. For one thing, for-profit higher institutions are having a huge impact on the federal student aid programs. For-profit college students now receive more than one quarter of all Pell Grant funds, up from 12% just 10 years ago, reflecting that sector’s breakneck expansion. As discussed earlier, this development has exacerbated the Pell Grant program’s acute funding problems. In addition, for-profit students cost the
government billions in student loan defaults. In FY 2008, for-profit students had just about the same number of defaults as students from the nation’s public colleges and universities—a shocking fact given that public institutions enrolled 10 times as many students in the corresponding academic year (fall 2008 IPEDS enrollment data). However, the real tragedy of these defaults is not public expenditure, but the impact on the former students who have not been able to repay their loans.

Second, a frequent response of the for-profit industry to efforts to bring greater federal accountability to bear on its operations is to propose that the exact same accountability frameworks be applied to community colleges and the other sectors of public and nonprofit higher education. Unfortunately, these proposals usually gloss over the very different nature of the institutions and overlook the community college accountability structures that already exist.

Third, segments of the for-profit industry have launched wildly inaccurate and irresponsible attacks on community colleges, the most visible occurring simultaneously with last October’s White House Summit on Community Colleges. The motivation for these misrepresentations seems to be to deflect attention from the industry’s shortcomings, or perhaps make them seem less problematic by demonizing other types of institutions. The attacks are damaging not because of their substance, but because community colleges cannot hope to marshal the resources to counter them in kind. Instead, community college leaders must clearly and forcefully tell their story, relying on their public credibility rather than hugely expensive public relations campaigns.

Higher education is and should be a dynamic industry, and Congress has decided that for-profit institutions should be a part of that dynamic system. But these colleges’ influence on federal policy will no doubt go on creating challenges for community colleges. And community colleges will continue to expect that federal policymakers require adequate public accountability from the sector.

**Tax Policy**

The tax code remains an extremely important, if not always fully appreciated, aspect of community college student financing. Ensuring that higher education tax provisions are reasonably generous, well-targeted, and set within a logical program structure remains a top AACC priority. The last Congress devoted substantial effort to higher education tax issues, and the 112th Congress is also expected to wrestle with them.

The massive package of tax cuts and extended unemployment benefits enacted as the 111th Congress drew to a close included key benefits for community college students. Most importantly, the legislation extended for two years the American Opportunity Tax Credit (AOTC). AOTC was created in ARRA and marked a major improvement over the Hope Scholarship Tax Credit that it replaced. In tax year 2009, AOTC provided $14.4 billion to some 8.3 million college students.

AOTC provides up to $2,500 for four years of college. The credit’s basic eligibility formula works well for students attending low-tuition institutions; it covers course materials as opposed to just tuition and fees as under the Hope Scholarship (a longstanding AACC priority); and it is 40% refundable, which helps deliver aid to the neediest students. In the world of PAYGO financing, in which offsets for new tax expenditures must be found, AOTC is expensive: The two-year extension cost $17.6 billion. Fortunately (or unfortunately for those who are haunted by the mounting federal debt), the legislative package in which AOTC was included was not “paid for”—or rather, future generations will pay for it.
Throughout the last Congress, tax-writers in both the House and Senate considered various proposals to merge the AOTC Lifetime Learning Tax Credit (created in 1997 and designed for noncredit students as well as upper-level students) and the $4,000 tuition deduction. These efforts are consistent with broader tax simplification proposals. AACC strongly supports these reforms, as the many college tax provisions have proven confusing and led to sub-optimal filings, as reported by the Government Accountability Office in May 2008. In these restructuring discussions, AACC has also emphasized the urgency of delivering benefits to college students and families with the greatest financial need. For example, families with incomes of up to $180,000 qualify for AOTC. In contrast, students who receive Pell Grants often do not qualify for AOTC because these and other grant funds are subtracted from eligible “tuition and qualified expenses” that AOTC covers. AACC is dedicated to changing this.

There are a variety of other tax provisions of value to community college students. The most important of these is Section 127 of the IRS Code, which allows individuals to receive up to $5,250 of employer-provided educational assistance tax free. This provision was extended for two years in the tax legislation enacted in December 2010. Community college students also benefit from provisions that provide a tax deduction for student loan interest and offer incentives for families and individuals to save for college. However, because of the nature of community college financing, these provisions are of secondary importance.

Closing Achievement Gaps

American higher education continues to display disappointing performance concerning outcomes for minority students. While community college leaders know that federal graduation rates are unrepresentative of their colleges’ impact on students, they also know that both Black and Hispanic students have significantly lower graduation rates, lagging behind the sector-wide mean by 30% to 40%. Community colleges themselves are engaged in a variety of activities to elevate the achievement of low-income and minority students. Positive steps have been taken under the aegis of the Achieving the Dream: Community Colleges Count initiative. But the federal government has an essential role to play as well, and established programs can do much to effect positive change.

Two critical programs that work to foster greater achievement by low-income and minority students are TRIO and GEAR UP. TRIO was created in 1965 as a complement to the Pell Grant program. The federal TRIO programs consist primarily of five discretionary grant programs that fund postsecondary education outreach and student support services designed to encourage those from disadvantaged backgrounds to enter and complete college and postgraduate education. Competitive grants are awarded for five years to eligible applicants, primarily institutions of higher education. At least two thirds of the program participants must be low-income, first-generation college students. The program received $910 million in FY 2010.

GEAR UP provides six-year grants to states and partnerships to support early college preparation and awareness activities at the state and local levels to ensure that low-income elementary and secondary school students are prepared for and pursue postsecondary education. Applicants may also apply for an optional seventh year of funding to provide services at an institution of higher education to follow students through their first year of college attendance. GEAR UP projects provide a comprehensive set of early intervention services including mentoring, tutoring, academic and career counseling, parental involvement, and other college preparation activities. Projects also provide college scholarships to participating students.
Community colleges are also aided in serving ethnic minority students by two key institutional assistance programs. The larger is the Hispanic-serving institutions (HSI) program, which requires a college to have at least 25% Hispanic enrollments and meet other criteria to qualify. This competitive grant program has grown dramatically and currently receives more than $117 million in appropriations, with additional temporary funding provided through budget reconciliation legislation. The key benefit of this program is that it gives institutions funding to improve academic quality, institutional management, fiscal stability, and other services to help Hispanic students attain college degrees.

Another promising program is that for predominantly Black institutions (PBI), first funded in 2007 and then statutorily codified in the 2008 HEA reauthorization. In order to qualify as a PBI, a college must have at least 40% Black enrollment and serve at least 50% low-income or first-generation college students. The PBI program requires grantees to focus on low- and middle-income Black students, with an emphasis on preparation and persistence. Twenty-one colleges are now receiving grants, most of them community colleges.

For both the HSI and PBI programs, the U.S. Department of Education is closely examining program outcomes, including an institutional “cost per graduate,” a strong sign that the federal government is intent on getting value for money from these proposals. Despite a daunting federal fiscal environment, AACC believes that these programs are well justified and will be advocating for funding them generously in the months to come.

The Federal Role in Higher Education Quality and Outcomes

The federal government annually gathers enormous amounts of data about postsecondary education, but its higher federal higher education programs generally have not been directed to the overall performance, quantitative or qualitative, of the system. Federal intervention into the academic affairs of institutions would not be welcome, and it is a role from which the U.S. Department of Education is statutorily barred. However, as higher education has increasingly become the key to individual economic security, there have been greater calls for ensuring that the federal government plays a more active and effective role in ensuring better outcomes from the system. A brief discussion of some of these quality issues follows.

Accreditation

Accreditation is in the crosshairs of discussions about the need for the federal government to do more to increase quality in higher education. Accreditation occupies an uneasy, Janus-like role in the system of higher education, simultaneously serving two essential but very different functions for institutions and the government. This dual function is a byproduct of its expanded role following enactment of HEA in 1965. Originally, accreditation was primarily designed for institutional self-improvement and to signal to other institutions and potential students that they shared broad common academic standards. However, once accreditation was made part of the “triad” required for institutional participation in the federal student aid programs, it became to some extent a captive of the federal government. Accreditors could only expect that the government would want to guarantee that the standards they used to evaluate institutions ensured a minimum level of academic quality and were consistent with basic federal objectives. Accreditation remains the primary means by which the federal government can attempt to leverage institutional behavior and change, yet accreditation is rightly viewed by college leaders as providing a bulwark against direct federal intervention into their operations.
The accreditation debate is further complicated by the fact that the major regional accrediting agencies that approve community colleges were established decades before the federal government created the student aid programs and thus had a history and reason for existence transcending those programs. Alternatively, a number of prominent accrediting agencies, generally national in nature and focused on for-profit schools, were created solely for the purpose of granting those colleges access to federal student aid. Not surprisingly, critics of for-profit higher education have asserted that those bodies are not sufficiently vigilant in policing the institutions. In this context, Senator Tom Harkin (D-IA), chairman of the Senate Committee on Health, Education, Labor, and Pensions, has signaled his interest in looking further at federal accreditation policies.

Across the last two presidential administrations, and in the last reauthorization of HEA, attempts to change the federal role concerning accreditation, however slight, have generated heated controversy. One of the outcomes of the 2008 reauthorization was to overhaul the advisory committee of the U.S. Department of Education—the National Advisory Committee on Institutional Quality and Integrity—which provides input to the secretary on the recognition of individual agencies and on accreditation policy generally. The deliberations of this new body and Congress’s likely attention to the topic are sure to give accreditors all the attention they might want.

Measuring What Community Colleges Do: Possible Graduation Rate Calculation Revisions

The official federal graduation rate calculation has long bedeviled community college leaders. The rates receive publicity and are widely thought to represent an accurate picture of community college performance, but this is not so. First, the graduation rates as published by the U.S. Department of Education exclude transfer students and, when these are included, as they should be, the effective community college “success rate” nearly doubles, from 22% to 40%. Second, the graduation rate includes only full-time, first-time students, which leaves out more than two thirds of all community college students. Lastly, the graduation rate is based on a calculation linked to 150% of the “normal time” it takes to attain a degree. With their often competing demands of work, family, and studies, most community college students do not adhere to “normal” patterns of college enrollment. In addition to the limitations in the current graduation rate calculation is the fact that for many community college students, “success” does not equal graduation; rather, it means obtaining the skills to secure employment or keep a job.

Fortunately, relief may be on the way, and with that, a more accurate picture of how community colleges are performing. Both changes derive from the 2008 reauthorization of HEA. That act requires reporting graduation rates based on 200% of the “normal time” it takes for a student to complete his or her studies, which should elevate community college rates. Even more importantly, the 2008 HEA renewal required the U.S. Department of Education to formally evaluate the graduation rate calculation applied to two-year institutions. This statutory provision resulted from AACC advocacy on this issue. The department has now established the Committee on Measures of Student Success and has been granted authority to modify the current graduation rate calculation before June 30, 2011, after considering that panel’s recommendations. AACC will continue to closely monitor the work of this panel and consult with its member presidents who have been appointed to it.

AACC’s own Voluntary Framework of Accountability (VFA) project may also influence the discussion in this area. VFA is designed to help community colleges improve their performance and present a more accurate picture of themselves to the public, including their sponsoring agencies. This effort hinges on using fine-grained measurements of precisely how well community college students are progressing
toward their educational and related goals. The VFA project is about to be pilot tested with 40 colleges, and if its measures gain widespread acceptance by community colleges across the country, they could be used in other performance evaluation contexts.

**Measuring Community College Performance: Placement Rate Calculation**

Community college campuses should be aware that the first of two final regulations on gainful employment, published October 29, 2010, state that the National Center for Education Statistics is undertaking the development of a new Integrated Postsecondary Education Data System (IPEDS) framework for the documentation of student employment and the reporting of job placement rates. The regulation requires this rate to be provided for most community college certificate programs, and, therefore, could have major implications for the way that community college performance is measured. AACC expects to be actively involved in the development of this new reporting framework, a process that is largely open to public input and is expected to take months due to its obvious complexity.

**Serving Active Military and Veterans**

Veterans organizations continue to be powerful advocates for their constituents, achieving legislative success in spite of the general congressional reluctance to fund new programs. Building on the major success of 2008’s post-9/11 GI Bill, the most significant iteration of that legislation since the original program, veterans and higher education organizations advocated for legislation to expand and improve certain elements of the program that passed in the waning days of the 111th Congress. Notably, the legislation extends benefits to certain National Guard service, provides a housing allowance to veteran students in online programs, expands the type of programs and institutions at which veterans may use their benefits, and sets a national cap for tuition and fees payable to students attending private institutions. In last-minute jockeying that reflected budget realities as well as, perhaps, the relative lobbying power of the veterans groups versus the higher education groups, the version of the bill that passed made veterans benefits payable only after other forms of student aid are taken into account, a provision to which the higher education community objected.

The legislation also increases the per-veteran payment that the Veterans Administration makes to educational institutions for processing the necessary paperwork and advising students, and it allows those funds to be used for other programs supporting veterans. These modest increases do not fully address the need that colleges have expressed for greater support in serving veteran students. The increased complexity of the veterans benefits programs and the unique physical, mental and other challenges faced by veterans of the recent wars are often cited as the reasons for this increased need. The federal response has featured very modest efforts to meet this need, including the creation and funding of a new Centers of Excellence for Veterans success program in HEA and an ongoing TRIO program in this area. Private efforts in this area, including the American Council on Education’s “Serving Those Who Serve” initiative, have likely made more of a difference. Increasing resources for institutions that serve significant numbers of veteran students will continue to be a top priority for AACC.

For-profit institutions have been major beneficiaries of the increased educational benefits provided under the post-9/11 GI Bill. In the first year of the new program, proprietary institutions collected nearly as much money from the program ($640 million, or 36.5%) as did public institutions but educated only a little more than one third of the students. The proprietary sector will continue to receive scrutiny for its role in this program as well as in the student aid programs.
Community Colleges, STEM Education, and the Advanced Technological Education Program

The acknowledged need for the United States to educate more scientists, engineers, and mathematicians often ignores the essential, multifaceted role that community colleges play in this area. Somewhat quietly, community colleges are making a major contribution in science and technology. In fact, 44% of students who obtain a bachelor’s degree or master’s degree in science and engineering attended a community college at some point in their degree studies. But the federal government must do more if the United States is to continue to hold its world lead in scientific and related fields.

In just about all aspects of STEM education on community college campuses, the National Science Foundation’s (NSF’s) Advanced Technological Education (ATE) program, along with a few other key NSF programs, has made a remarkably far-reaching contribution. Rarely has a federal initiative, particularly one so relatively small, had as dramatic an impact on a sector of higher education as that of ATE on community colleges. And it has occurred at an agency that, less than two decades ago, barely acknowledged these institutions.

A basic function of ATE is to prepare individuals for many STEM-oriented jobs that require some postsecondary education but not necessarily a bachelor’s degree. These are the individuals who keep laboratories running, man the floors of advanced manufacturing facilities, and provide IT support to the nation’s business community. The ATE program supports curriculum development, professional development of college faculty and secondary school teachers, career pathways to two-year colleges from secondary schools and from two-year colleges to four-year institutions, and many other activities. Since its inception, the ATE program has provided 1,143 awards, totaling over $650 million. In 2009, ATE projects and centers served 85,300 students and developed 1,740 curriculum materials.

The linchpin of ATE is collaboration: Virtually every one of its grants involves collaboration with other education institutions and businesses. The ATE programs funds extensive articulation between two-year and four-year programs for prospective K–12 teachers. Studies indicate that about 40% of all K–12 STEM teachers, and perhaps significantly more, took some of their STEM course work at community colleges.

The beauty of the ATE program has been its adaptability, and the program has evolved over time to meet the changing demands of both education and the economy. At this moment, some key challenges have emerged, and community colleges will be looking for ATE and other NSF programs to support them. This includes providing greater partnerships between AAS and BS degree programs in STEM disciplines. In addition, new methods are needed to improve developmental education for poorly prepared students who take a shine to a career in science. The alarming achievement gap between Black and other students in entry-level science courses needs to be eradicated.

AACC was heartened that in its FY 2011 budget the Obama administration proposed a 56% increase, to $100 million, for the ATE program by FY 2013. Community colleges will need to make a strong case in the coming months for why this investment is necessary.

DREAM Act

In 2010, the Development, Relief, and Education for Alien Minors (DREAM) Act experienced a level of activity and mass media attention unprecedented in the nine years since it was first introduced. Notably,
the major immigration reform groups, the Congressional Hispanic Caucus, and others who normally take something closer to a “comprehensive immigration reform or nothing” approach threw their full weight behind the measure when it became apparent that broader reform was not tenable. The Obama administration was also heavily involved in pushing the bill after making the same determination. This heightened attention and support, and a more Democratic-dominated Congress, propelled the legislation to House passage for the first time. However, it was insufficient to surmount the Senate Republican filibuster, receiving only 55 of the 60 votes needed for cloture.

In many ways, the stars were aligned for DREAM Act success in the 111th Congress, but it was not enough to overcome the increasingly toxic atmosphere that dominates an immigration-related issue. While the bill came closer than ever to enactment, it did so along more stratified party lines than earlier in its existence, when it received more Republican support. Obviously, this fact does not bode well for the DREAM Act’s prospects in the 112th Congress, where most observers do not expect it to be taken up, at least in the House.

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